



**CITY COUNCIL  
SPECIAL MEETING AGENDA**

**March 29, 2010**

**7:00 p.m.**

**Burien City Hall, Council Chambers  
400 SW 152<sup>nd</sup> Street, 1<sup>st</sup> Floor  
Burien, Washington 98166**

**PAGE NO.**

**1. CALL TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL**

**4. BUSINESS AGENDA**

a. Discussion on Street Overlay Program.

**3.**

**5. ADJOURNMENT**

**COUNCILMEMBERS**

Joan McGilton, Mayor  
Jack Block, Jr. Kathy Keene

Rose Clark, Deputy Mayor  
Lucy Krakowiak

Brian Bennett  
Gordon Shaw



**CITY OF BURIEN  
AGENDA BILL**

<b>Agenda Subject:</b> Discussion on Street Overlay Program		<b>Meeting Date:</b> March 29th, 2010
<b>Department:</b> Public Works and Finance	<b>Attachments:</b> Power Point Presentation	<b>Fund Source:</b> Transportation Related Funds <b>Activity Cost:</b> Depends on Options Taken by Council <b>Amount Budgeted:</b> Depends on Options Taken by Council <b>Unencumbered Budget Authority:</b> TIB, FMSIB, WSDOT, LID, Street Maintenance Utility, Gas Tax, SWM Fees, TBD, Transportation Impact Fees, and GO Bonds or Revenue Bonds
<b>Contact:</b> Larry R. Blanchard, Public Works Director and Tabatha Miller, Finance Director		
<b>Telephone:</b> (206) 248-5514 and (206) 439-3150		
<b>Adopted Initiative:</b> Yes   N/A   No	<b>Initiative Description:</b> See Agenda Description Above	
<p><b>PURPOSE/REQUIRED ACTION:</b></p> <p>Review with the City Council and the Public the condition of the structural composition of the pavement within our Street System as of 2007, and based on the assumption that no repairs or replacement work would be done on the Street System, what will the condition of the street system be by the year 2017. If the City proceeds with a Street Overlay Program to maintain Burien's Street System at a Pavement Condition Index (PCI) of +80 how much will it cost? The council decision on this would be to spend \$8.6 M in 2010, spend no funds in 2011, and establish repair funds of \$600,000/year from 2012 through 2029. These estimates do not include inflation or construction cost increases, but should be included each year. Also, the addition of pavement due to development has not been factored in, and should be. The goal here is to preserve Burien's Transportation Pavement structures for generations to come since it is the most expensive investment the City has.</p> <p>To finance these improvements the Finance Department is suggesting the use of Build America Bonds (BAB) that would yield an annual Bond payment of \$650,000. The total investment including bond payments from 2012 on would be \$1.25 M</p> <p><b>BACKGROUND (Include prior Council action &amp; discussion):</b></p> <p>Burien's Street System has weathered through 3 cold and wet winters, and is seeing very rapid deterioration of its structure due to weather, utility cuts, and age. Limited overlays have been completed over the course of the past 3 years increasing the amount of backlogged deterioration. Currently the 263 Lane Miles of Street System has an average life of approximately 18 years before reconstruction will occur, so work must be done prior to this to keep the street from costly reconstruction of up to 10 times that of a simple overlay. Typically Arterial/Collector Streets have a 12-15 Year Life, and Residential Streets have a 20-35 Year Life. To maintain a PCI of +80 will require an upfront investment of \$8.6 M in 2010 as described above. This investment coupled with a annual pavement overlay program of \$600,000 per year will keep Burien's pavement investment @ a PCI of +80, and is the most cost effective approach. Funding for this program will be discussed further during the meeting to be held on 03/29/10.</p> <p><b>OPTIONS (Including fiscal impacts):</b></p> <p>Options will be reviewed and discussed with the City Council.</p>		
<b>Administrative Recommendation:</b> Provide for the initial \$8.6 M in BAB with \$600 K thereafter to maintain the 80 + PCI		
<b>Committee Recommendation:</b> N/A		
<b>Advisory Board Recommendation:</b> N/A		
<b>Suggested Motion:</b> None required.		
Submitted by: Larry Blanchard <b>Administration</b> _____		Mike Martin <b>City Manager</b> _____
<b>Today's Date:</b> March 24, 2010	<b>File Code:</b> R:/CC/AgendaBill2010/032910pw-1 street overlay	





# STREET OVERLAY PROGRAM DILEMMA & SOLUTION

Public Works Department

Finance Department

March 29, 2010

# City of Burien Pavement Condition Index (PCI)

Presented to Council March 1, 2010



Ambaum Blvd SW & SW 134<sup>th</sup> St.



SW 158<sup>th</sup> btwn Ambaum Blvd SW & 1<sup>st</sup> Ave



S 181<sup>st</sup> btwn 4<sup>th</sup> & 5<sup>th</sup> Ave S



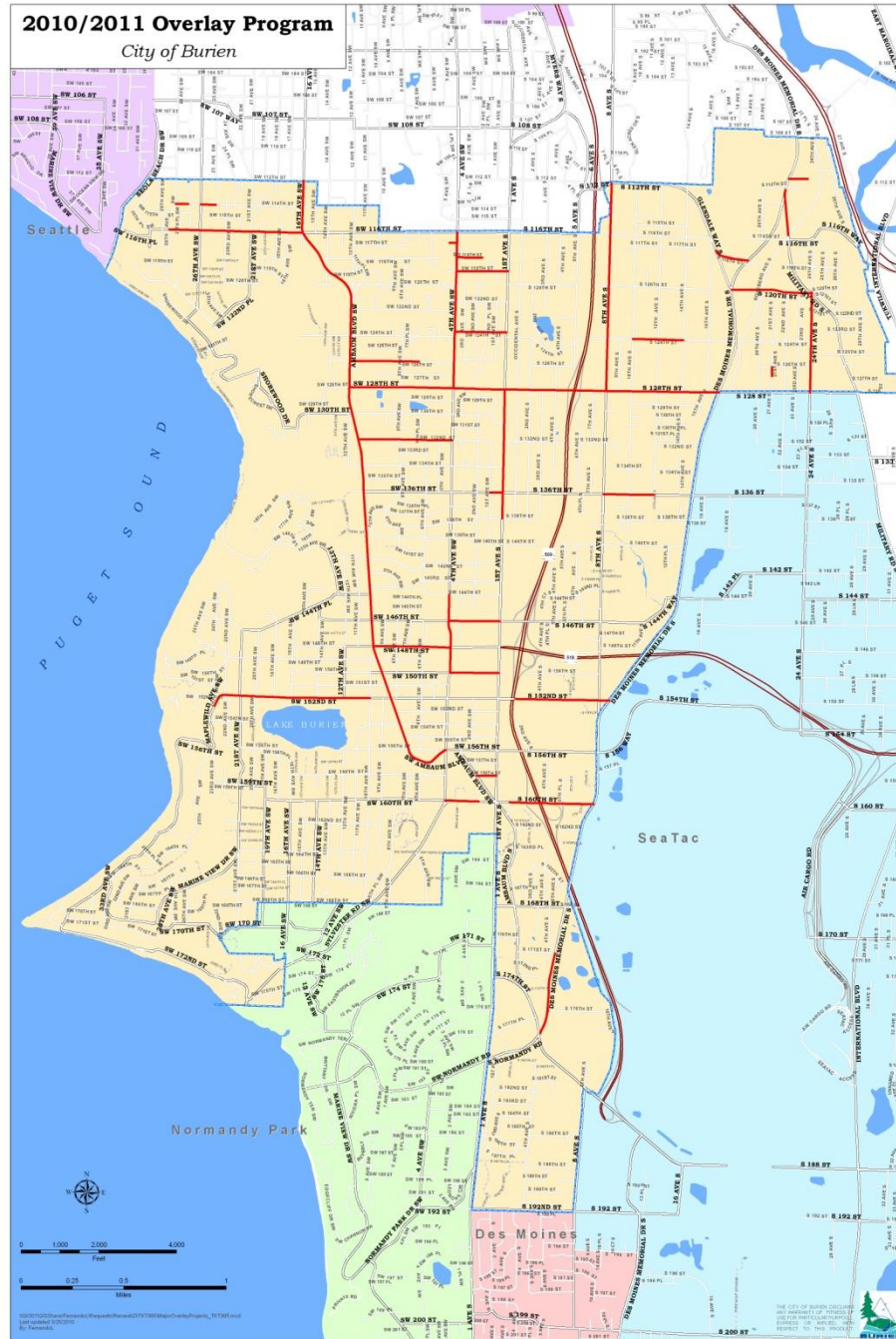
S 150<sup>th</sup> Street 200 ft south of 1<sup>st</sup> Ave





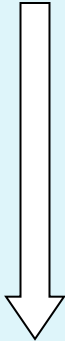
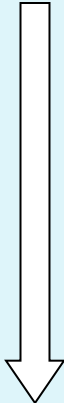
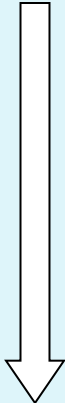
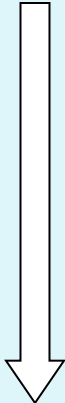



**Good Street - SW 151<sup>st</sup> Street**

# 2010/2011 Overlay Program City of Burien





# PROPOSED STREET OVERLAY PROGRAM OPTIONS

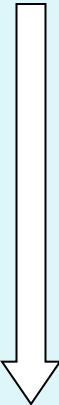


YEAR	PCI 80 <sup>+</sup>	PCI 80	PCI 75	PCI 70
2010	\$8.6M	\$4.3M	\$1.8M	\$1.3M
2011	--	\$4.3M	\$2.5M	\$2.17M
2012	\$600K	\$4.3M	\$3.49M	\$3.63M
			 	 
2029				
<b>TOTALS</b>	<b>\$19.4M</b>	<b>\$86M</b>	<b>\$133.4M</b>	<b>\$231M</b>

17M total SF of pavement does not include anticipated growth of community or inflationary factors for costing.

# WHERE DO WE GET \$8.6 MILLION?

- We issue bonds
  - Build America Bonds (BABs)
    - Current program expires 12/31/2010
    - Issued as taxable which provides a larger market and better return for investor
    - Government subsidy of 35% of interest costs to make tax exempt issuer whole +
    - Current effective interest rate 4 % to 4.25%
    - 20 year bonds to match the estimated life of the streets
    - 3 years to spend the proceeds
    - **\$650,000 annual debt service for 20 years**


## PROPOSED STREET OVERLAY PROGRAM OPTIONS INCLUDING BOND PAYMENT ON \$8.6 MILLION

YEAR	BOND PAYMENT \$8.6 M	PCI 80+	TOTAL COST PCI 80 +	PCI 80	PCI 75	PCI 70
2010	\$0	\$0	\$0	\$4.3M	\$1.8M	\$1.3M
2011	\$650 K	--	650 K	\$4.3M	\$2.5M	\$2.17M
2012	\$650 K	\$600K	\$1.25 M	\$4.3M	\$3.49M	\$3.63M
2013	\$650 K	\$600 K	\$1.25 M			
2014	\$650 K	\$600 K	\$1.25 M			
2015	\$650 K	\$600 K	\$1.25 M			
2016	\$650 K	\$600 K	\$1.25 M			
2017	\$650 K	\$600 K	\$1.25 M			
2018	\$650 K	\$600 K	\$1.25 M			
2019-2029	\$7.15 M	\$6.6 M	\$13.75 M			
<b>TOTALS</b>	<b>\$12.35 M</b>	<b>\$10.8M</b>	<b><u>\$23.15 M</u></b>	<b><u>\$86M</u></b>	<b><u>\$133.4M</u></b>	<b><u>\$231M</u></b>

Does not include anticipated growth of community or inflationary factors for costing.

# WHERE DO WE GET \$1.25 MILLION A YEAR?

YEAR	TOTAL EXPENSE
2010	\$8.6 M
2011	\$650K
2012	\$1.25 Million ( <i>\$650K Debt Service + \$600k Annual Maintenance</i> )
2013	\$1.25 M ( <i>\$650K Debt Service + \$600k Annual Maintenance</i> )
2030	



RECOMMENDED SOURCES	
\$8.6 M	Bond Proceeds
\$250K \$400K	<ul style="list-style-type: none"> <li>•Operating savings from SWM &amp; Transport</li> <li>•Capital Reserve Fund Balance – 1-time \$</li> </ul>
\$625K \$225K \$200K \$100K <u>\$100K</u> <u>\$1.25M</u>	<ul style="list-style-type: none"> <li>•Operating savings from SWM &amp; Transport</li> <li>•Property Tax from Capital Reserve Fund</li> <li>•Increase in SCL in-lieu fees</li> <li>•Change Electric Utility Tax from 3% to 6%</li> <li>•Change definition of “Solid Waste” to include recycling</li> </ul> TOTAL 2012 SOURCES
\$750K \$100K \$200K \$100K <u>\$100K</u> <u>\$1.25M</u>	<ul style="list-style-type: none"> <li>•Operating savings from SWM &amp; Transport</li> <li>•Property Tax from Capital Reserve Fund</li> <li>•Increase in SCL in-lieu fees</li> <li>•Change Electric Utility Tax from 3% to 6%</li> <li>•Change definition of “Solid Waste” to include recycling</li> </ul> TOTAL 2013 SOURCES



# ALL AVAILABLE FUNDING OPTIONS

- Council Action Required
  - Operational savings from Surface Water Management & Transportation service provider changes
  - Transportation Benefit District (TBD) \$20 Car Tab
  - Increase Electric Utility tax from 3% to 6%
  - Change Utility Tax definition of “Solid Waste” to include recycling and yard waste disposal
  - Property Tax Allocation (from Capital Projects Reserve)
  - Increase Business & Occupation Tax Rate
  - Negotiate Franchise Fees, Right of Way Use Fees or In-Lieu of Utility Tax Fees w/ Water Sewer Districts

# POTENTIAL FUNDING PURSUITS

- Requires Voter Approval and/or Act of Legislature
  - Street Utility
  - Property Tax Lid Lift
  - Voter approved Utility Tax Increase (above the 6% Statutory limit)
  - Transportation Benefit District (TBD) \$50 Car Tab
  - Legislature approved Utility Tax on Water/Sewer Districts

# WRAP UP

- Questions
- Discussion
- Staff Direction

